LODGING TAX REDISTRIBUTION APPLICATION CRITERIA

Purpose:

1. Although not specifically reflected in the 1998 ballot language, the Committee feels the overall intent of the 1998 lodging tax increase was to positively impact Springfield's economy by carrying out the vision of Vision 20/20 and increasing travel and tourism.

Project Criteria:

- Applications should only be submitted for capital projects designed to INCREASE travel and tourism. Since it is unlikely paying off existing debt on prior capital expenditures or funding building maintenance and repair will increase travel and tourism, applications requesting funds for these purposes will be given lower priority.
- As specified by the 1998 ballot language, the organization submitting a proposal and receiving funds (assuming approval) must be designated as a 501 (c) non-profit, and be in good standing with the State of Missouri. A copy of the certificate of incorporation and IRS determination letter must be included with the application.
- 3. Eligible projects must be located within the city limits or take place on city owned property.
- 4. Construction projects are subject to prevailing wage.
- 5. Organizations must be financially stable and preference will be given to organizations that have been in business for at least two years before applying for funds.
- 6. All applications will be evaluated and scored by the Hotel-Motel Tax Reallocation Committee ("Committee") and will be available to the public upon receipt.
- 7. The Committee shall use the four focus areas from the original Hotel-Motel Tax ballot language promoting tourism, recreation, education, and the local economy as its primary criteria for awarding grants, and will make these criteria clear when soliciting proposals.
- 8. Membership of the Committee shall be appointed by the Mayor and shall consist of:
 - Director of the Springfield Regional Arts Council (chair)
 - Convention & Visitors Bureau representative
 - Sports Commission representative
 - Springfield Hotel & Lodging Association representative
 - City Manager's Office representative
 - City Council liaison (non-voting)
- 9. All applications will be subject to, and the Committee will conduct all of its business in compliance with, the Sunshine Law.

- 10. Capital projects are generally defined as activities limited to the construction, rehabilitation, restoration, stabilization, or purchase of buildings, property, and equipment. If requested and with at least 30 days' notice, the Committee will review the project to determine whether it fits the definition of a "capital project" prior to the application deadline.
- 11. Applications for both one-time funding projects and multi-year funding projects will be accepted. Requests for funding cannot exceed the total amount available each year.

12. Multi-Year Funding

- a. Projects seeking multi-year funding may bypass the Letter of Intent process after the first year of funding provided the project has not significantly changed from the original application. Those applicants may proceed directly to the full application stage and submit a revised application for each subsequent year's funding. Approval of subsequent year funding remains subject to Committee recommendation and City Council approval.
- b. Multi-year applications must attend question and answer session each year.
- c. Applications for multi-year funding requests must submit a plan for sustained operations after hotel/motel funding ceases
- 13. The organization submitting a proposal for funding must provide one-to-one matching funds for the project submitted. Projects submitted by the City of Springfield are not required to satisfy the one-to-one match. In-kind capital contributions that specifically relate to the application project may be used for a portion of the matching funds, but cannot exceed 50 percent of the total matching funds. State and federal funds may also be used for the matching funds, but funds from the City of Springfield cannot be used. The source of matching funds:
 - must be identified in the application and verified by the Director of Finance for the City of Springfield, and;
 - assuming project approval, their expenditure on the approved project must be documented to the satisfaction of the Director of Finance.
- 14. The Committee may also elect to "bank" funds for multiple years toward future projects, if it deems appropriate to do so.
- 15. Applications for projects costing less than \$10,000 will receive lower priority.
- 16. The City of Springfield will not bond projects.
- 17. If funding is provided for a facility or facility improvements, the facility must be open to the public. If the facility is closed during construction or renovation, work on the project or signage related to the status of the construction or renovation must be visible to the public.
- 18. The organization submitting a proposal for funding must address the degree to which project implementation is dependent on receipt of funding. Preference will be given to qualifying projects that are unlikely to occur without funding approval.
- 19. The projected increase in travel and tourism as a result of the proposed project must be estimated in the application with realistic projections and assumptions. The annual increase

- in hotel room nights expected to be generated as a result of project implementation must be estimated. The committee strongly encourages applicants to contact the Springfield Convention and Visitors Bureau for assistance in developing projections and assumptions.
- 20. Assuming project approval, subsequent funding, and upon project completion, the organization must provide a final report that provides details regarding the completed project. All projects must provide an update every six months until the project is completed. A final report as described above must then be provided within 90 days of project completion. Future applications from the organization will not be considered should the organization fail to provide updates or the final report.
 - a. Changes to the scope of the funded project must be approved in advance.
 - b. The six-month report requires a comprehensive status report on the project.
 - c. The final report requires a description of the final outcome of the project including any changes that have occurred, an explanation of any financial variances, a financial summary, and attachments that should include one example of marking materials that include acknowledgement of Hotel/Motel funds and a photo of the completed project.
- 21. Each grant recipient must match the City's grant funding contribution and the city funds shall not be disbursed for a project until the fifty percent (dollar-for-dollar) matching funds are invested in the project as certified by the Director of Finance for the City. Prior to the disbursement of funds, the grant recipient must enter into a grant funding agreement with the City, which contract shall set forth the obligations of the grant recipient and the City. City rules on expenditures of funds, such as competitive bidding, prevailing wages, and special City bid specifications shall apply for any project incorporating grant funds received under this program. For further information on City rules for expenditures of funds, see attachment.
- 22. The intent of these funds is to encourage immediate investment that will lead to increased hotel/motel room stays thus allocations for one-time projects must be spent within 18 months of executing the contract with the City. Funds awarded for multi-year projects must be spent within 18 months of the final year's award.
- 23. All publicity associated with project must acknowledge use of Hotel-Motel Tax funds.
- 24. Project applications will be graded by the Committee according to the following Grant Award Selection Criteria:
 - a. Qualified Project (50%) the overall need for the project and the effect of the project in enhancing tourism and increasing overnight stays through promoting tourism, recreation, education, and the local economy.
 - b. Financial Stability (Current/Proforma) (10%)
 - c. Organization stability (10%) has the organization been in business for at least 2 years?
 - d. Request amount (10%) is the amount of the project funds greater than \$10,000?
 - e. Likelihood of project to occur without Hotel-Motel Tax Reallocation Funding (10%)
 - f. Project Timeframe (10%) ability and timing of the project to affect the local business in Springfield and generate overnight stays
- 25. The application criteria can and may be modified at the discretion of Committee.

- 26. Notwithstanding the foregoing, the Committee has the ability to accept a proposal that doesn't meet one or more of the application criteria.
- 27. City Council shall make final approval, based on the Committee's recommendations, of all awards of funds.